

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Basic Financial Statements
and Independent Auditors' Reports
As of and for the Year Ended June 30, 2006
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/6/06

LOUISIANA STATE BOARD OF NURSING
5207 Essen Lane, Suite 2680
Baton Rouge, LA 70809
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GOVERNING BOARD

As of June 30, 2006

Nursing Educators

Bonnie B. Johnson, RN, MSN
Gail M. Porrier, RN, DNS
Nora Steel, DNS, RN, C, PNP

Nursing Administrators

Gerald W. Bryant, RN, MSN
Frankie Rosenthal, MSN, RN, CNA, CNS

Other Areas of Nursing

Carlene MacMillan, RN, MN
Deborah Olds, RN
Michelle T. Oswalt, CRNA

Advanced Practice Nursing

James E. Harper, RN, MSN, CFNP

Non-voting Medical Doctors

Alan J. Ostrowe, MD
William St. John LaCorte, MD

Barbara Morvant, Executive Director

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board Members of
Louisiana State Board of Nursing
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2006, as listed in the Table of Contents. These basic financial statements are the responsibility of **Louisiana State Board of Nursing's** management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **Louisiana State Board of Nursing**, as of June 30, 2006, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis, as listed in the Table of Contents, is required supplementary information and therefore, is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2006, on our consideration of the **Louisiana State Board of Nursing's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Louisiana State Board of Nursing's** basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the table of contents is presented for purpose of additional analysis and are not a required part of the basic financial statements of the **Louisiana State Board of Nursing**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Leroy J. Chustz
Certified Public Accountant, APAC
August 21, 2006

Beverly A. Ryall
Certified Public Accountant

George F. Delaune
Certified Public Accountant, APC

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

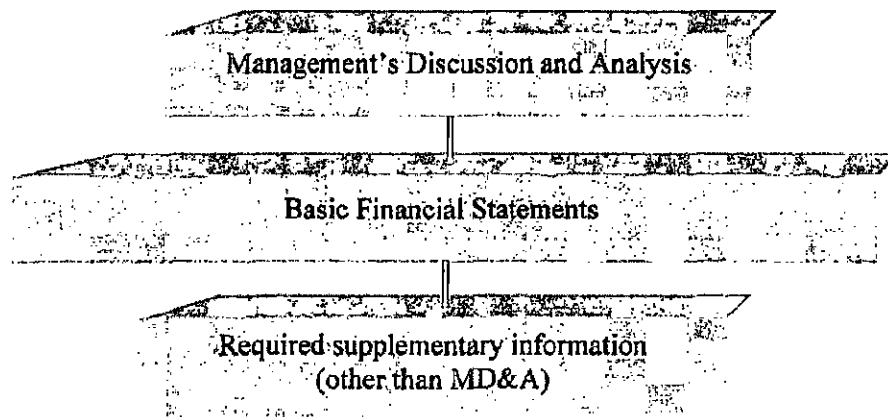
The Management's Discussion and Analysis of the Louisiana State Board of Nursing's financial performance presents a narrative overview and analysis of Louisiana State Board of Nursing's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the State Board of Nursing's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Nursing's assets exceeded its liabilities at the close of fiscal year 2006 by \$4,539,558 which represents a 65.49% increase from last fiscal year.
- ★ The Louisiana State Board of Nursing's revenue increased \$1,684,266 (or 55.80%) and expenses decreased by \$159,974 or 5.23%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Nursing as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Activities; and the Statement of Cash Flows.

The Statement of Net Assets presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the State Board of Nursing is improving or deteriorating.

The Statement of Activities presents information showing how the State Board of Nursing's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement presents information showing how the State Board of Nursing's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets as of June 30, 2006			
	Total		
	2006	2005	
Current and other assets	\$ 4,983,296	\$ 2,990,010	
Capital assets	26,002	25,737	
Total assets	5,009,298	3,015,747	
Other liabilities	318,131	97,470	
Long-term debt outstanding	151,609	175,196	
Total liabilities	469,740	272,666	
Net assets:			
Invested in capital assets, net of debt	26,002	25,737	
Restricted			
Unrestricted	4,513,556	2,717,344	
Total net assets	\$ 4,539,558	\$ 2,743,081	

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, grants requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of the State Board of Nursing increased by \$1,796,477, or 65.49%, from June 30, 2005 to June 30, 2006. The State Board of Nursing's total revenues increased by \$1,684,266 or 55.80%. The total cost of all programs and services decreased by \$159,974 or 5.23%.

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2006**

	Total	
	2006	2005
Operating revenues	\$ 4,566,481	\$ 2,957,725
Operating expenses	(2,896,475)	(3,056,449)
Operating income(loss)	1,670,006	(98,724)
Non-operating revenues(expenses)	136,232	60,722
Income(loss) before transfers	1,806,238	(38,002)
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ 1,806,238	\$ (38,002)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the State Board of Nursing had \$26,002 invested in a broad range of capital assets, including furniture, fixtures and equipment. (See Table below).

This amount represents a net increase (including additions and deductions) of \$265, or 1.03%, over last year.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

**Capital Assets at Year-end
(Net of Depreciation, in thousands)**

	<u>2006</u>	<u>2005</u>
Land	\$	\$
Buildings and improvements		
Equipment	26,002	25,737
Infrastructure		
Totals \$	<u>26,002</u>	<u>\$ 25,737</u>

This year's major additions included (in thousands):

- Computers \$12,463
-
-

Debt N/A

The _____ (BTA) had \$ _____ thousand in bonds and notes outstanding at year-end, compared to \$ _____ thousand last year, an increase of _____ % as shown in the table below.

**Outstanding Debt at Year-end
(in thousands)**

	<u>2006</u>	<u>2005</u>
General Obligation Bonds	\$	\$
Revenue Bonds and Notes		
Totals \$	<u>0</u>	<u>\$ 0</u>

New debt resulted from _____.

The _____ (BTA)'s bond rating continues to carry the _____ rating for general obligation bonds, and _____ rating for other debt.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

The Louisiana State Board of Nursing had claims and judgments of \$ 0 outstanding at year-end compared with \$ 0 last year. Other obligations include accrued vacation pay and sick leave.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$194,127 over budget and expenditures were approximately under budget by \$127,604.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State Board of Nursing elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Demand for Registered Nurses in Louisiana.
- Increased staff and related benefits.
- Fluctuations in interest rates on deposits.

The Louisiana State Board of Nursing expects that next year's results will have an increase in net assets based on the following:

- Increased fees associated with license renewals
-

CONTACTING THE STATE BOARD OF NURSING'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the State Board of Nursing's finances and to show the State Board of Nursing's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Barbara L. Morvant, MN, RN, Executive Director.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Proprietary Fund Financial Statements:
 - Enterprise funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2006

ASSETS

Current Assets

Cash and cash equivalents	\$ 3,436,588.24
Investments - Market Value	1,515,801.20
Receivables	
Prepaid postage	30,906.67
Total Current Assets	<u>4,983,296.11</u>

Noncurrent Assets

Capital Assets (net)	26,002.28
Total noncurrent assets	<u>26,002.28</u>

TOTAL ASSETS	<u>5,009,298.39</u>
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LIABILITIES

Current Liabilities

Accounts payable	220,039.75
Accrued payroll and deductions	98,091.74
Total Current Liabilities	<u>318,131.49</u>

Noncurrent Liabilities

Compensated absences	151,608.74
Total Noncurrent Liabilities	<u>151,608.74</u>

TOTAL LIABILITIES	<u>469,740.23</u>
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NET ASSETS

Investment in capital assets	26,002.28
Unrestricted	<u>4,513,555.88</u>
TOTAL NET ASSETS	<u>\$ 4,539,558.16</u>

The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

OPERATING REVENUES:

Licensing, permits, and fees -	
Licenses	\$ 3,881,140.00
Examinations	201,100.00
Enforcement actions	152,442.50
Other operating revenues	<u>331,798.28</u>
Total Operating Revenues	<u>4,566,480.78</u>

OPERATING EXPENSES:

Licensing Program

Personal services -	
Commissioners per diem	9,300.00
Salaries	1,449,708.68
Employee benefits	426,171.62
Travel	49,945.15
Operating services	608,623.75
Supplies	77,545.19
Professional services	262,982.48
Depreciation expense	<u>12,197.65</u>

Total Operating Expense	<u>2,896,474.52</u>
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Operating Income (Loss)	<u>1,670,006.26</u>
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NON-OPERATING INCOME:

Interest earnings	<u>136,232.08</u>
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Total non-operating income	<u>136,232.08</u>
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Increase (decrease) in Net Assets	1,806,238.34
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Net Assets as of June 30, 2005	2,733,312.82
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Adjustment of Prior Year Net Assets	<u>7.00</u>
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Net Assets as of June 30, 2006	<u><u>\$ 4,539,558.16</u></u>
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The accompanying notes are an integral part of this financial statement.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

Cash flows from operating activities

Cash received from customers	\$ 4,566,480.78
Cash payments to suppliers for goods and services	(831,407.18)
Cash payments to employees for services	<u>(1,873,687.10)</u>
Net cash provided (used) by operating activities	<u>1,861,386.50</u>

Cash flows from capital and related financing

Acquisition of capital assets	<u>(12,463.25)</u>
Net cash provided (used) by financing activities	<u>(12,463.25)</u>

Cash flows from investing activities

Purchases of Investments	(1,515,801.20)
Interest earned on certificates of deposit and investments	<u>141,005.97</u>
Net cash provided (used) by investing activities	<u>(1,374,795.23)</u>

Net increase (decrease) in cash and cash equivalents 474,128.02

Cash and cash equivalents at beginning of year 2,962,460.22

Cash and cash equivalents at the end of the year \$ 3,436,588.24

Reconciliation of operating income (loss) to net cash provided (used) by operating

Operating income (loss)	\$ 1,670,006.26
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	12,197.65
Changes in assets and liabilities:	
(Increase) decrease in receivables	10,402.08
(Increase) decrease in prepaid expenses	(18,525.32)
Increase (decrease) in accounts payable	184,209.19
Increase (decrease) in accrued payroll and related benefits	26,684.40
Increase (decrease) in compensated absences payable	<u>(23,587.76)</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,861,386.50</u></u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. INTRODUCTION

The Louisiana State Board of Nursing (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:911. The Board is under the control of the Department of Health and Hospitals and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board, which is composed of eleven (11) members appointed by the Governor of Louisiana for a term of four years. The Board consists of nine registered nurses selected from a list submitted by the Louisiana State Nurses Association and two physicians from a list submitted by the Louisiana State Medical Society, who serve as ex officio members of the Board as advisors and have no voting privileges. The nine nurses are composed of the following:

1. Two nursing service administrators
2. Three nursing educators
3. Three engaged in other areas of nurse practice
4. One advanced practice registered nurse

The Board elects from its members a president, vice president, and such other officers as it considers necessary to carry out the duties and functions of the board.

As authorized by Louisiana Revised Statute 37:914 E., each member of the Board shall be receive \$75.00 a day and reimbursement for actual expenses and mileage at the same rate set by the Division of Administration for state employees under the provisions of R.S. 39:231 for each day in actual attendance at board meetings or for representing the board in an official board-approved activity.

The Board is charged with the responsibility of licensing and regulating registered nurses in the State of Louisiana. Act 633 of the 1995 Legislative Session amended the Nurse Practice Act to require licensure of Advanced Practice Registered Nurses (APRNs). At June 30, 2006 approximately 31,980 registered nurses and 2,057 APRNs were licensed.

The Board's office is located in Baton Rouge, Louisiana, and employs 31 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

1.B. FINANCIAL REPORTING ENTITY

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Board of Nursing is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Louisiana State Board of Nursing, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

1.C. BASIS OF PRESENTATION

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

1.D. ASSETS, LIABILITIES AND NET ASSETS

Cash and Cash Equivalents, Investments

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Investments are carried at fair value. Fair value is based on quoted market price.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses and interest which are accrued when earned.

Prepaids

Prepaids reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

Capital Assets and Depreciation

Proprietary fund fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$5,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

–	Equipment	5-7 years
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**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term debt in the proprietary fund statements. The current portion of this debt can not be estimated and accordingly, it is reported as a noncurrent liability.

Equity Classifications

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets— Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of "restricted" or "investment in capital assets."

1.E. REVENUES AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

2.A. FUND ACCOUNTING REQUIREMENTS

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required funds.

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 49:327 and the Board's investment policy.

NOTE 3. - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Nursing may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts or federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The deposits at June 30, 2006, consisted of the following:

	Cash	Certificates of Deposit	Total
Deposits in Bank Accounts Per Balance Sheet	\$ 3,436,488	\$ 0	\$ 3,436,488
Bank Balances of Deposits Exposed to Custodial Credit Risk			
a. Uninsured and uncollateralized			
b. Uninsured and collateralized with securities held by the pledging institute			
c. Uninsured and collateralized with securities held by the pledging institutions's trust department or agent but not in the entity's name	3,337,407		3,337,407
Total Bank Balances - All Deposits	\$ 3,437,407	\$ 0	\$ 3,437,407

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

Reconciliation to Statement of Net Assets:

Petty cash	\$ 100
Unrestricted cash	<u>3,436,488</u>
Total Cash	<u><u>\$ 3,436,588</u></u>

3.B. INVESTMENTS

At year end the Board had the following investments and maturities:

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank	<u>\$ 1,515,801.20</u>	Less than one Year

The board limits its interest rate risk by limiting its investing to securities with terms of one year or less. Credit risk is managed by limiting investments to those allowed under State law, which includes instruments issued by State or Federal governments.

3.C. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2006, was as follows:

	<u>Balance at June 30, 2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2006</u>
Capital Assets, being depreciated				
Equipment	\$ 348,447	\$ 12,464		\$ 360,911
Less accumulated depreciation	(322,711)	(12,197)		(334,908)
Total Equipment	<u>25,736</u>	<u>267</u>		<u>26,003</u>
Total Capital Assets, being depreciated	<u>25,736</u>	<u>267</u>		<u>26,003</u>
Total Capital Assets, net	<u><u>\$ 25,736</u></u>	<u><u>\$ 267</u></u>		<u><u>\$ 26,003</u></u>

3.D. ACCOUNTS PAYABLE

Payables in the general fund is composed of payables to vendors (69%) and accrued salaries and benefits (31%).

3.E. LONG-TERM DEBT

Governmental Activities

As of June 30, 2006, the governmental long-term debt of the Board consists of the following:

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

Accrued Compensated Absences:

Current portion -not determinable	
Noncurrent portion	\$ 151,609
Total Governmental activity debt	<u>\$ 151,609</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2006:

Type of Debt	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
Governmental Activities:				
Accrued Compensated Absences	\$ 175,197	\$ 16,924	\$ 40,512	\$ 151,609
Total General Long-Term Debt	<u>\$ 175,197</u>	<u>\$ 16,924</u>	<u>\$ 40,512</u>	<u>\$ 151,609</u>

3.F. LEASE COMMITMENT

The Board entered into a lease for office space. The terms of the lease require monthly payments of \$10,303, through June 16, 2006.

Future minimum lease payments under capital lease are as follows:

Year Ending June 30	
2007	\$ 123,634
2008	82,399
	<u>\$ 206,033</u>

NOTE 4. - OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Pension Plan

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2006 increased to 191.1% of annual covered payroll from the 17.8% and 15.8% required in fiscal years ended June 30, 2005 and 2004 respectively. The board contributions to the System for the year ending June 30, 2006, 2005 and 2004 are \$253,485, \$265,800, and \$233,793 respectively, equal to the required contributions for that year.

Post Employment Health Care and Life Insurance Benefits

Substantially all Board employees become eligible for post employment health care, dental, and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2006, the cost of providing those benefits for seven retirees totaled \$25,830.

Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

4.B. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

4.C. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters. The Board manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

4.D. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

4.E. COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day.

<u>Commissioner</u>	<u>June 30, 2006</u>	
	<u>Meetings</u>	<u>Amount</u>
Tommie Jean Ashby	10	\$ 750
Patsy Bourgeois	23	1,725
James Harper	15	1,125
Deborah Ford	14	1,050
Elise Crapanzano	3	225
Patsy McClanahan	0	0
Karen Moody	3	225
Deborah Olds	8	600
Alan Ostrowe, MD	2	150
Frankie Rosenthal	14	1,050
William St. John LaCorte,	1	75
Michelle Oswalt	21	1,575
Gail Poirrier	10	750
Total	<u>124</u>	<u>\$ 9,300</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board Members of
Louisiana State Board of Nursing
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2006, and have issued our report thereon dated August 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana State Board of Nursing's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana State Board of Nursing's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Louisiana State Board of Nursing and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties. Under provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

Leroy J. Chustz
Certified Public Accountant, APAC
August 21, 2006

Beverly A. Ryall
Certified Public Accountant

George F. Delaune
Certified Public Accountant, APC

**LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2006**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Louisiana State Board of Nursing.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance was disclosed during the audit of the basic financial statements.
4. There were no federal awards received by Louisiana State Board of Nursing.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

None

**LOUISIANA STATE BOARD OF NURSING
RESOLUTION OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2006**

PRIOR YEAR FINDINGS--FINANCIAL STATEMENTS AUDIT

Finding 2005-01 Louisiana Compliance Questionnaire Violation

Condition:

The questionnaire was not completed and adopted by the Board.

Criteria

The Louisiana Compliance Questionnaire must be completed by the agency and adopted by a resolution of the Board and submitted to the auditors prior to the issuance of the audit.

Cause

The questionnaire was completed by the agency staff on July 15, 2005 and signed by the executive director on August 11, 2005. The agency holds four board meetings per year. The June meeting was held on June 13-15, 2005 and the next board meeting is scheduled for September 12-14, 2005.

Effect

Violation of Louisiana Audit Guide requirements.

Recommendation

Insure that the questionnaire is adopted by the Board prior to year-end.

Current Year Status:

This matter was resolved for the year ended June 30, 2006

SUPPLEMENTAL INFORMATION REQUIRED BY
STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 20_____

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Appendix

- A Instructions for the Simplified Statement of Activities**
- B Information for Note C - Deposits with Financial Institutions and Investments**
- C Information for Note BB – Net assets Restricted by Enabling Legislation**
- D Information for Note CC – Impairment of Capital Assets**

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
BALANCE SHEET
AS OF JUNE 30, 2006**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$	<u>3,436,588</u>
Investments (Note C2)		<u>1,515,801</u>
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		<u>30,907</u>
Notes receivable		
Other current assets		
Total current assets		<u>4,983,296</u>

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		<u>26,002</u>
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		<u>26,002</u>
Total assets	\$	<u>5,009,298</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	<u>220,040</u>
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		<u>98,091</u>
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>318,131</u>

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		<u>151,609</u>
Capital lease obligations (Note J)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		<u>151,609</u>
Total liabilities		<u>469,740</u>

NET ASSETS

Invested in capital assets, net of related debt		<u>26,002</u>
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		<u>4,513,556</u>
Total net assets		<u>4,539,558</u>
Total liabilities and net assets	\$	<u>5,009,298</u>

The accompanying notes are an integral part of this financial statement.

Statement A

**STATE OF LOUISIANA
STATE BOARD OF NURSING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006**

OPERATING REVENUES

Licenses, permits, and fees	\$ 3,881,140
Examinations	201,100
Enforcement Actions	152,443
Other	331,798
Total operating revenues	<u>4,566,481</u>

OPERATING EXPENSES

Personal services	
Commissioners per diem	9,300
Salaries	1,449,709
Employee benefits	426,172
Travel	49,945
Operating services	608,624
Supplies	77,545
Professional services	262,982
Depreciation expense	12,198
Total operating expenses	<u>2,896,475</u>

Operating income(loss)	<u>1,670,006</u>
------------------------	------------------

NON-OPERATING REVENUES(EXPENSES)

State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Interest income	136,232
Other revenue	
Other expense	
Total non-operating revenues(expenses)	<u>136,232</u>

Income(loss) before contributions, extraordinary items & transfers	<u>1,806,238</u>
--	------------------

Capital contributions

Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	

Change in net assets	<u>1,806,238</u>
----------------------	------------------

Total net assets – beginning as restated	<u>2,733,320</u>
--	------------------

Total net assets – ending	<u>\$ 4,539,558</u>
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The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006**

See Appendix A for instructions

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
A	\$ 2,896,475	\$ 4,566,481	\$	\$	\$ 1,670,006
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					136,232
Miscellaneous					
Special items					
Extraordinary Item - Loss on Impairment of Capital Assets					
Transfers					
Total general revenues, special items, extraordinary losses, and transfers					136,232
Change in net assets					1,806,238
Net assets - beginning					
Net assets - ending					\$ 1,806,238

Statement C

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

The accompanying notes are an integral part of this statement.

Cash flows from operating activities

Cash received from customers	\$ 4,566,481	
Cash payments to suppliers for goods and services	(831,407)	
Cash payments to employees for services	(1,873,693)	
Payments in lieu of taxes		
Internal activity payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		\$ 1,861,381

Cash flows from non-capital financing activities

State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Interest earnings	136,232	
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers In		
Transfers Out		
Other		
Net cash provided(used) by non-capital financing activities		136,232

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(12,463)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(12,463)

Cash flows from investing activities

Purchases of investment securities	(4,266,310)	
Proceeds from sale of investment securities	5,250,509	
Interest and dividends earned on investment securities	4,772	
Net cash provided(used) by investing activities		988,971

Net increase(decrease) in cash and cash equivalents		2,974,121
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Statement D

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

Operating income(loss)		\$ <u>1,670,006</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	12,198	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	10,396	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	(18,525)	
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	184,537	
Increase(decrease) in accrued payroll and related benefits	26,357	
Increase(decrease) in compensated absences payable	(23,588)	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u>1,861,381</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	\$ <u>-</u>

(Concluded) Statement D

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

INTRODUCTION

The Louisiana State Board of Nursing was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 39.911. The following is a brief description of the operations of the parish/parishes in which the Louisiana State Board of Nursing is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the State Board of Nursing present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Board of Nursing are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana State Board of Nursing are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>3,314,181</u>
Amendments:	<u> </u> <u> </u> <u> </u> <u> </u>
Final approved budget	\$ <u><u>3,018,715</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

Beginning in FY 2004, the implementation of GASB Statement 40 (which amended GASB Statement 3) eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2006, consisted of the following:

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>3,436,488</u>	\$ _____	\$ _____	\$ <u>3,436,488</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and uncollateralized	_____	_____	_____	_____
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	_____
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, <u>but not in the entities name</u>	<u>3,336,488</u>	_____	_____	<u>3,336,488</u>
Total Bank Balances - All Deposits	\$ <u>3,436,588</u>	\$ _____	\$ _____	\$ <u>3,436,588</u>

NOTE: The "Total Bank Balances - All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>CAPITOL ONE</u>	<u>General Fund Account</u>	\$ <u>3,436,488</u>
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u>3,436,488</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the Balance Sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the Balance Sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ <u>100.00</u>

2. INVESTMENTS

The Louisiana State Board of Nursing does maintain investment accounts as authorized by the State of Louisiana.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity, and are held either by the counterparty, or the counterparty's trust department or agent but not in the entity's name.

Beginning with FY 2004, the implementation of GASB Statement 40 (which amended GASB Statement 3) eliminated the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are exposed to custodial credit risk. The total reported amount and fair value columns still must be reported for total investments regardless of exposure

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to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.

Type of Investment	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent <u>Not in</u> <u>Entity's Name</u>	Reported Amount	Fair Value
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

*unregistered - not registered in the name of the government or entity

3. Derivatives

The institution **does not** invest in **derivatives** as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk _____
market risk _____
legal risk _____

4. Credit Risk, Interest Rate Risk, Concentration of Credit Risk, and Foreign Currency Risk Disclosures

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

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<u>Rating</u>	<u>Fair Value</u>
	\$
Total	\$ -

B. Interest rate Risk

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities	1,515,801	1,515,801			
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual funds					
Other					
Total debt investments	\$ 1,515,801	\$ 1,515,801	\$ -	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.):

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer (not including U.S. government securities, mutual funds, and investment pools) that represents 5% or more of total investments.

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<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____	_____

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total	\$ _____	\$ _____

5. Policies

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

6. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____
- b. Securities underlying reverse repurchase agreements _____
- c. Unrealized investment losses _____
- d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
 1. Carrying amount and market value at June 30 of securities to be resold _____
 2. Description of the terms of the agreement _____

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- e. Losses during the year due to default by counterparties to deposit or investment transactions _____
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements _____
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements at Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- j. Commitments on _____ (fiscal close) to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close) of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____

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- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate _____

- u. Any income from investments associated with one fund that is assigned to another fund _____

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

Less accumulated depreciation									
Total depreciable land improvements									
Infrastructure									
Less accumulated depreciation									
Total infrastructure									
Total other capital assets	\$ 25,737	\$ -	\$ 25,737	\$ 265	\$ -	\$ -	\$ -	\$ 26,002	
Capital Asset Summary:									
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other capital assets, at cost	341,517	-	341,517	12,483	-	-	-	353,980	
Total cost of capital assets	341,517	-	341,517	12,483	-	-	-	353,980	
Less accumulated depreciation	(315,780)	-	(315,780)	(12,198)	-	-	-	(327,978)	
Capital assets, net	\$ 25,737	\$ -	\$ 25,737	\$ 285	\$ -	\$ -	\$ -	\$ 26,002	

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

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E. INVENTORIES N/A

The unit's inventories are valued at _____ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: Do not include postage. This must be shown as a prepayment.**

F. RESTRICTED ASSETS N/A

Restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current assets section on Statement A, consist of \$ _____ in cash with fiscal agent, \$ _____ in receivables, and \$ _____ investment in _____ (identify the type of investments held.) State the purpose of the restriction: _____.

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana State Board of Nursing has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2006 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable is not recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Board of Nursing are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Board employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual

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benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) before July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006 are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after 7/1/2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, within qualifications and amounts define by statute. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. For the full description of the LASERS defined benefit plan, please refer to LASERS 2005 Financial Statements, specifically footnotes A- Plan Description and C-Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and is also available on-line at: http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_05.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2006, increased to 19.1% of annual covered payroll from the 17.8% and 15.8% required in fiscal years ended June 30, 2005 and 2004, respectively. The Board of Nursing's contributions to the System for the years ending June 30, 2006, 2005, and 2004, were \$253,485, \$265,880, and \$233,793, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits: **(NOTE: Ensure that the number of retirees is disclosed below)**

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

*If the cost of any post retirement health care or life insurance benefits for retirees cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed (part b below).

The Louisiana State Board of Nursing provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for post employment health care and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Board. Complete (a) below if the cost of retiree post employment health care benefits can be separated from active employees, otherwise complete paragraph (b),

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a) For 2006, the cost of providing those benefits for the 7 retirees totaled \$25,830.

J. LEASES

NOTE: Where we are requesting five-year amounts, please list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2006 amounted to \$153,741. (Note: If lease payments extend past FY2021, please create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012- 2016</u>	<u>FY2017- 2021</u>
	\$	\$	\$	\$	\$	\$	\$
Office Space	123,634	82,399					
Total	\$ 123,634	\$ 82,399	\$ -	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES N/A

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/06. In Schedule B, report only those new leases entered into during fiscal year 2005-2006.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

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<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2026, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2026, please create additional rows and report these future minimum lease payments in five year increments.)

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Year ending June 30:	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2026, please create additional rows and report these future minimum lease payments in five year increments.)

Year ending June 30:	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

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3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining Principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____ -		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____ -		
Less: Estimated Residual Value of Leased Property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____ -		

Minimum lease payments receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2006 were \$_____ for office space, \$_____ for equipment, and \$_____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2026, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total	\$ _____ -

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4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20__:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2026, please create additional columns and report these future minimum lease payment receivables in five year increments.)

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2007	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2008					-
2009					-
2010					-
2011					-
2012-2016					-
2017-2021					-
2022-2026					-
Total	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

Current year lease revenues received in fiscal year _____ totaled \$ _____.

Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

K. LONG-TERM LIABILITIES N/A

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 20__: (Balances at June 30th should include current and non-current portion of long-term liabilities.)

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	Balance June 30, 2005	Year ended June 30, 2006		Balance June 30, 2006	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$ --	\$
Reimbursement contracts payable				--	
Bonds payable				--	
Total notes and bonds	--	--	--	--	--
Other liabilities:					
Contracts payable				--	
Compensated absences payable				--	
Capital lease obligations				--	
Claims and litigation				--	
Liabilities payable from restricted assets				--	
Other long-term liabilities				--	
Total other liabilities	--	--	--	--	--
Total long-term liabilities	\$ --	\$ --	\$ --	\$ --	\$ --

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES N/A

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. Do not report impaired capital assets below as defined by GASB 42, rather disclose impaired capital assets in Note CC. Losses or pending litigation that is probable should be reflected on the balance sheet.

The _____ (BTA) is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General)

Date of Action	Description of Litigation and Probable outcome (remote, reasonably possible or probable)	*Damages Claimed	Insurance Coverage
		\$	\$
Totals		\$	\$

*Note: Liability for claims and judgments should include should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

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Claims and litigation costs of \$_____ (include incremental costs discussed above) were incurred in the current year and are reflected in the accompanying financial statement.

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated.

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee.

M. RELATED PARTY TRANSACTIONS

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions. _____

N. ACCOUNTING CHANGES N/A

Accounting changes made during the year involved a change in accounting _____ (principle, estimate, or entity). The effect of the change is being shown in _____.

O. IN-KIND CONTRIBUTIONS N/A

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____

P. DEFEASED ISSUES N/A

In _____, 20____, the _____ (BTA), issued \$_____ of taxable bonds. The purpose of the issue was to provide monies to advance

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LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006

refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$ _____, plus an additional \$ _____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt of \$ _____).

Q. COOPERATIVE ENDEAVORS N/A

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding for fiscal year ending June 30, 2006, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance</u> <u>June 30, 2006</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____
Total	\$ _____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2006. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute ending balances by funding source, begin with your balances at June 30, 2005. These amounts will be increased by amounts for new contracts and amendments and decreased for payments and liquidations.

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R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2005-2006:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
			\$
Total government-mandated nonexchange transactions (grants)			\$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A

At June 30, 20__, the _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____ to correct this deficiency. The _____ (BTA) did _____

T. SHORT-TERM DEBT N/A

The _____ (BTA) issues short-term notes for the following purposes:

Short-term debt activity for the year ended June 30, 20__, was as follows:

<u>List the type of S-T debt (e.g., tax anticipation notes):</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
	\$	\$	\$	\$ -

The _____ (BTA) uses a revolving line of credit for the following purposes: _____ . Short-term debt activity for the year ended June 30, 20__, was as follows:

	<u>Beginning Balance</u>	<u>Draws</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Line of credit	\$	\$	\$	\$ -

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2006, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$	\$	\$	\$	\$ -
General Fund					-
	\$ -	\$ -	\$	\$	\$ -
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$

V. DISAGGREGATION OF PAYABLE BALANCES

Fund (gen. fund, gas tax fund, etc.)	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 220,040	\$ 98,092	\$	\$	\$ 318,132
					-
Total payables	\$ 220,040	\$ 98,092	\$ -	\$ -	\$ 318,132

Payables at June 30, 2006, were as follows:

W. SUBSEQUENT EVENTS N/A

X. SEGMENT INFORMATION N/A

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Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment _____.

A. Condensed Balance Sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Gross receivables	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Less allowance for uncollectible accounts	_____	_____	_____	_____	_____
Receivables, net	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Amounts not scheduled
for collection during the
subsequent year

\$ _____ \$ _____ \$ _____ \$ _____ \$ _____

other funds or BTA's should be reported separately.

- (3) Total net assets – distinguishing among restricted; unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance Sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006

- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

Y. DUE TO/DUE FROM AND TRANSFERS N/A

- 1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end: (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

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<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type all transfers from other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A

The following adjustments were made to restate beginning net assets for June 30, 2006.

<u>Ending Net Assets</u> <u>July 1, 2005,</u> <u>previously reported</u>	<u>Adjustments</u> <u>+ or (-)</u>	<u>Beginning net</u> <u>assets, July 1, 2005,</u> <u>As restated</u>
\$ _____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 20__, previously reported, must correspond to Net Assets at June 30, 20__, per the information received from OSRAP.)

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) N/A

Of the total net assets reported on Statement A June 30, 20__, \$_____ are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation). Refer to the instructions Appendix C for more details on the determination of the amount to be reported as required by GASB Statement 46.

CC. IMPAIRMENT OF CAPITAL ASSETS N/A

GASB 42 establishes accounting and financial reporting standards for impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendix D for more information on GASB 42 and Impaired Capital Assets.

The following capital assets are considered impaired: (There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

Type of asset	Amount of Impairment loss before Insurance Recovery	Insurance Recovery in the same FY	Indication of Impairment	Reason for Impairment (e.g. hurricane)
Buildings				
Movable Property				
Infrastructure				

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include the capital assets listed above that were idle at the end of the fiscal year.)

Type of asset	Carrying Value
Buildings	\$ _____
Movable Property	\$ _____
Infrastructure	\$ _____

DD. EMPLOYEE TERMINATION BENEFITS

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances.

Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s).
2. Year the state becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit.
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported).

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2006, the cost of providing those benefits for 13 voluntary terminations totaled \$32,833. For 2006, the cost of providing those benefits for 0 involuntary terminations totaled \$0.

[The termination benefits (voluntary and involuntary) paid in FY 2006 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, 2006 is \$151,609. This liability consists of 29 voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, 2006 is \$0. This liability consists of 0 involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended JUNE 30, 2006**

<u>Name</u>	<u>Amount</u>
TOMMIE JEAN ASHBY	\$ 750
PATRICIA BOURGEOIS	1,725
ELISE CRAPAZANO	225
DEBORAH FORD	1,050
JAMES HARPER	1,125
KAREN MOODY	225
DEBBIE OLDS	800
ALAN OSTROWE	150
MICHELLE OSWALT	1,575
GAIL POIRRIER	750
FRANKIE ROSENTHAL	1,050
WILLIAM ST. JOHN LACORTE, MD	75
	\$ 9,300

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature

STATE OF LOUISIANA
 _____ (BTA)
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
 _____, 20____
 (Fiscal Close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF NOTES PAYABLE
 _____, 20____
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
 SCHEDULE OF BONDS PAYABLE
 _____, 20____
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____(BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended _____
 (Fiscal Close)

Fiscal Year Ending:	Principal	Interest
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 20__

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2007	\$ _____	\$ _____	\$ _____	\$ _____
2008	_____	_____	_____	_____
2009	_____	_____	_____	_____
2010	_____	_____	_____	_____
2011	_____	_____	_____	_____
2012-2016	_____	_____	_____	_____
2017-2021	_____	_____	_____	_____
2022-2026	_____	_____	_____	_____
2027-2031	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____

STATE OF LOUISIANA
 _____(BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
 For The Year Ended June 30, 20__

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012-2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
_____ (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 20__

Fiscal Year		
Ending:	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
 Total	 \$ _____ --	 \$ _____ --

STATE OF LOUISIANA

(BTA)

**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION**

NON-GAAP BASIS

June 30, 2006

Financial Statement	Adjustments	ISIS Appropriation Report-08/14/06	Revised Budget	Variance Positive/(Negative)
Revenues:				
Intergovernmental Revenues	\$	\$	\$	-
Federal Funds		-		-
Sales of Commodities and Services		-		-
Other		-		-
Total appropriated revenues	-	-	-	-
Expenses:				
Cost of goods sold	\$	\$	\$	-
Personal services		-		-
Travel		-		-
Operating Services		-		-
Supplies		-		-
Professional services		-		-
Other charges		-		-
Capital outlay		-		-
Interagency transfers		-		-
Debt Service		-		-
Other:		-		-
Bad debts		-		-
Depreciation		-		-
Compensated absences		-		-
Interest Expense		-		-
Other (Identify)		-		-
Total appropriated expenses	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$ -	\$ -	\$ -	\$ -

Note : Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES

BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

JUNE 30, 2006

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____ -

Note : Schedule 5 is only applicable for entities whose budget is appropriated by the legislature

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2006</u>	<u>2005</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 4,698,757	\$ 3,018,447	\$ 1,680,310	\$ 55.67%
Expenses	2,824,684	3,056,449	(231,765)	-7.58%
2) Capital assets	26,002	25,737	265	1.03%
Long-term debt	151,609	175,196	(23,587)	-13.46%
Net Assets	4,607,393	2,733,320	1,874,073	68.56%

Explanation of Change: Increase in Revenues is a result of increased fees charged for License Renewals, which were effective for the 2005 – 2006 fiscal year.

Increase to Net assets is a result in the increased revenues generated by the fee increase in 2005-2006 along with decreased expenditures as a result of Hurricane Katrina and Rita. Specifically, office rent decreased due to the Board office sustaining damage along with a decrease in office staff, thus reducing payroll expense and related benefits.